

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION

UNITED STATES OF AMERICA,)	CASE NO: 2:17-CR-00245-3
)	
Plaintiff,)	CRIMINAL
)	
vs.)	Corpus Christi, Texas
)	
SILVIA BEATRIZ PEREZ-CEBALLOS,)	Thursday, October 12, 2017
)	
Defendant.)	(8:29 a.m. to 11:53 a.m.)
		MORNING SESSION

JURY TRIAL - DAY 8
VOLUME I OF II, PAGES 1 THROUGH 80

BEFORE THE HONORABLE NELVA GONZALES RAMOS,
UNITED STATES DISTRICT JUDGE

APPEARANCES: SEE PAGE 2

Court Recorder: Genay Rogan

Interpreters: Judy Hawks / Maria Enriqueta Foraker
Lorena Parada-Valdes

Clerk: Brandy Cortez

Court Security Officer: Adrian Perez

Deputy U.S. Marshal: George Butcher

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APPEARANCES FOR:

Plaintiff: JULIE HAMPTON, ESQ.
JON MUSCHENHEIM, ESQ.
U.S. Attorney's Office
1000 Louisiana, Suite 2300
Houston, TX 77002

Defendant: FEDERICO ANDINO REYNAL, ESQ.
JOSEPH C. MAGLIOLO, JR., ESQ.
Fertitta Reynal
808 Travis, Suite 1005
Houston, TX 77002

SETH H. KRETZER, ESQ.
440 Louisiana St., Suite 1440
Houston, TX 77002

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1 Corpus Christi; Thursday, October 12, 2017; 8:29 a.m.

2 **(Interpreter Utilized for Translation)**

3 **(Call to Order)**

4 **(Outside the presence of the jury)**

5 **THE COURT:** Okay. This is Cause 2:17CR245-3, United
6 States of America versus Silvia Beatriz Perez-Ceballos.

7 **MR. KRETZER:** Good morning, Your Honor.

8 **MR. MUSCHENHEIM:** Good morning, Your Honor.

9 **THE COURT:** Good morning. We're outside the presence
10 of the jury, just kind of still conferring informally on the
11 instructions to the jury. I just saw the Defendant's last
12 filing that had never been brought up about detailing each
13 specified unlawful activity.

14 **MR. KRETZER:** They agree.

15 **MR. MUSCHENHEIM:** We're not opposed to it, Judge. We
16 just need to iron out the details.

17 **THE COURT:** Okay. You all submit something to the
18 Court.

19 **MR. MUSCHENHEIM:** Counsel told me that Ms. Perez is
20 going to testify so maybe --

21 **THE COURT:** That will give us a little bit of time?

22 **MR. MUSCHENHEIM:** -- Mr. Kretzer and I can try to
23 iron out something that we agree on that part of it. I'm happy
24 to do that this morning.

25 **THE COURT:** So your client's testifying this morning?

1 **MR. REYNAL:** Yes, Your Honor.

2 **THE COURT:** Okay. So you all will work on that and
3 have a submission to the Court --

4 **MR. MUSCHENHEIM:** We're going to do our very best to
5 have a joint submission on that, Your Honor.

6 **THE COURT:** I did notice we didn't submit the charts
7 and summary instructions so I'll add that --

8 **MR. MUSCHENHEIM:** Yes, Your Honor.

9 **THE COURT:** -- probably is appropriate, correct?
10 Co-mingling. I've got your briefing on that and --

11 **MR. MUSCHENHEIM:** Yes, Your Honor.

12 **THE COURT:** What is the Government's evidence on
13 that?

14 **MR. MUSCHENHEIM:** Your Honor, the evidence is that --
15 the trial evidence is that he had a public accounting firm for
16 20 years and earned money. He didn't come into it as a
17 absolute pauper. And Counsel, through cross-examination, has
18 raised with the jury the fact that, in their view, all the
19 funds are legit. In our view, none of the funds are legit but
20 the jury's allowed to draw inferences from those facts.

21 Counsel's sig --

22 (**Government counsel briefly confer**)

23 **MR. MUSCHENHEIM:** Oh, right. And there's cash that
24 comes in to the possession of Ms. Perez as evidenced by her
25 bank statements that is unexplained cash. She had no income in

1 the United States. Anyway, so we think it's raised by the
2 facts, Judge.

3 **MR. KRETZER:** May I respond, Your Honor?

4 **THE COURT:** Yes.

5 **MR. KRETZER:** Yes, Judge. I don't disagree with the
6 Prosecutor. Their position throughout the trial has been that
7 all of the funds are illegitimate. And our position is the
8 funds are legitimate. Because those -- the subject of
9 co-mingling legitimate wealth with illegitimate wealth
10 necessarily suggests there's some gray area overlap in between,
11 if the Government honestly contends to the Court they think
12 it's all illegitimate and we think it's all legitimate, then we
13 would ask where is the evidence that anyone co-mingled? We
14 would submit there necessarily, definitionally, not be any
15 evidence of co-mingling if both sides have adduced evidence
16 that are complete wholes. There is no, raised-by-the-evidence,
17 facts upon which anyone could say that there has been
18 co-mingling because of the evidence that has been adduced over
19 the course of the trial.

20 **THE COURT:** Okay. Mr. Muschenheim?

21 **MR. MUSCHENHEIM:** Well, Your Honor, Counsel yesterday
22 introduced this Asesoria income and tried to have this witness
23 say this is legitimate income. Money kept coming into the
24 United States that was used in various ways to further the
25 conspiracy. So there's -- there's mixing. It's not an all-or-

1 nothing proposition. The jury gets to -- the Judge, in
2 instructing the jury on the law, is allowed to listen to all
3 the evidence and instruct the jury appropriately. And it's a
4 raise -- you know, we agree it's raised by the evidence that
5 there's some legitimate money in this conspiracy.

6 **MR. KRETZER:** Realistically --

7 **MR. MUSCHENHEIM:** It's certainly raised -- it's
8 certainly raised by the evidence.

9 **MR. KRETZER:** That is the first time, Your Honor,
10 that I have heard that.

11 **MR. MUSCHENHEIM:** That's -- it's certainly raised by
12 the evidence. Counsel has raised it numerous times.

13 **MR. KRETZER:** (Indisc.)

14 **MR. MUSCHENHEIM:** I'm saying this -- I'm not saying I
15 agree, I'm saying it's raised by the evidence.

16 **MR. KRETZER:** Hold on a second.

17 Judge, the Prosecutor is -- the Government is the
18 sponsoring party. They are the one requesting the instruction.
19 Just now I heard for the first time in two weeks that they
20 believe, the Government is contending, that at least part of
21 the evidence is legitimate. That has never been said at any
22 point in time from opening argument until we stand here right
23 now. As I hear the Prosecutors say -- he says oh, well the
24 Defendant countered our argument; therefore, we say that must
25 be evidence of co-mingling, even though they're not going to go

1 the next step and say what evidence of co-mingling there is. I
2 would ask the Prosecutor, if he could, please tell me what
3 evidence he has adduced of actual co-mingling. If they cannot
4 answer it --

5 **THE COURT:** Okay. Well, I mean --

6 **MR. KRETZER:** -- there is no evidence of it.

7 **THE COURT:** -- that was my question. What's the
8 Government's --

9 **MR. KRETZER:** Right.

10 **THE COURT:** -- evidence of co-mingling?

11 **MR. MUSCHENHEIM:** Your Honor, the suggestion that it
12 is only the Prosecutor's evidence that we're obviously
13 charged --

14 **THE COURT:** No, well, where is the evidence, I guess,
15 on the record?

16 **MS. HAMPTON:** Your Honor, the evidence came from the
17 testimony of Mr. Latour partly, who testified that he was so
18 worried about the source of this money when he sold the cars he
19 -- he mislabeled wire transfers in an effort to conceal where
20 the money came from and put them in a different account that
21 had nothing to do with these people, according to the title of
22 the account. From that money, he said, he sent that money to
23 Houston for the benefit of the Defendant through Mr. Fernando
24 Saiz-Pineda. From there, the jury has seen cash deposits in
25 this Defendant's account that kept her going with the Wells

1 Fargo --

2 **THE COURT:** So the Government's saying that's
3 legitimate money? That's lawful?

4 **MS. HAMPTON:** No. The Government's --

5 **THE COURT:** Well, where's the lawful? Where's the
6 co-mingling of the unlawful funds with the lawful funds?

7 **MS. HAMPTON:** The -- there is --

8 **THE COURT:** Where are the lawful funds?

9 **MS. HAMPTON:** The Defense is arguing that --

10 **THE COURT:** The arguing is not evidence.

11 **MS. HAMPTON:** The evidence that's come in, Your
12 Honor, is from Asesoria, from the Defense, saying that this
13 money was from businesses she had in Mexico coming legitimately
14 from HSBC to HSBC-US. That's what the Defendant's argument is.

15 **THE COURT:** Argument is not evidence.

16 **MS. HAMPTON:** Well, that's what the evidence that --

17 **THE COURT:** Okay.

18 **MS. HAMPTON:** -- they put on before the jury is, Your
19 Honor. That that Asesoria money --

20 **THE COURT:** That it was productive, successful --

21 **MR. KRETZER:** That --

22 **THE COURT:** -- but where's the evidence that's the
23 money that was coming in, I guess? I don't know.

24 **MS. HAMPTON:** The answer's --

25 **THE COURT:** There might --

1 **MS. HAMPTON:** -- in Defendant's Exhibits, Your Honor.
2 They have attachments to the lender from HSBC-Mexico and
3 they've argued that the money came from HSBC-Mexico to the jury
4 and through testimony --

5 **THE COURT:** Argument is not evidence. I will say
6 that -- I have to keep saying that. You keep saying "their
7 argument."

8 **MS. HAMPTON:** Well, I apologize.

9 **THE COURT:** Okay.

10 **MS. HAMPTON:** Through the testimony of Angel
11 Gonzalez-Monterrubio they said -- they elicited testimony that
12 this money came from HSBC-Mexico, which we've never denied --
13 and the evidence is clear on the wire transfers it came in
14 from --

15 **THE COURT:** But you're saying that's the Government's
16 evidence is that that was unlawful money.

17 **MS. HAMPTON:** We believe the money was unlawfully
18 obtained, but there's evidence before the jury, Your Honor,
19 that that is legal money through Asesoria.

20 **THE COURT:** But that's not the Government's position.
21 The Government's saying it's entirely unlawful, correct?

22 **MS. HAMPTON:** That's correct.

23 **THE COURT:** Based on the evidence.

24 **MS. HAMPTON:** And there is evidence based on the
25 Wealth Declarations that Mr. Saiz-Pineda and Ms. Perez-Ceballos

1 were making income in Mexico.

2 **THE COURT:** Okay.

3 **MS. HAMPTON:** They did report.

4 **MR. KRETZER:** Right.

5 **MR. MUSCHENHEIM:** And that's evidence we offered,
6 Judge, and we don't deny that.

7 **MR. KRETZER:** Judge, I think they're trying to maybe
8 rewrite their case here, the charge conference. I'm hearing a
9 bunch of things I haven't heard in the last two weeks. But
10 they do not have -- again, they contend it's all illegitimate.
11 Ms. Hampton just agreed that she -- her position has not
12 changed, it's all illegitimate. We contend, the Defense
13 contends that it is all legitimate. Those are two very
14 different constructions of the evidence.

15 What the Government has not answered in response to
16 the Court's repeated questions is where they have evidence of
17 the mixing of the two. And we would say, definitionally, they
18 cannot show you that because their true representation they've
19 made repeatedly is that it is all illegitimate. We say it is
20 logically impossible for them to make that showing based on how
21 they presented the evidence and they can't actually seem to
22 tell you what the evidence of co-mingling is.

23 **THE COURT:** Sustained. The Defendant's objection is
24 sustained.

25 **MR. MUSCHENHEIM:** Your Honor, with respect to

1 unanimity, I could find not one case anywhere where unanimity
2 was -- unanimity with respect to specified unlawful activity
3 was given by any Court --

4 **THE COURT:** But particularly in a --

5 **MR. MUSCHENHEIM:** -- anywhere.

6 **THE COURT:** -- conspiracy, right, where all acts are
7 kind of all go to each Defendant is taxed with the acts of the
8 other Codefendants so -- anyway, Mr. Kretzer?

9 **MR. KRETZER:** Yes. Our argument would be that,
10 Judge, and, of course, the famous Fifth Circuit case is Holly
11 (phonetic) where the Court was reversed for not giving a
12 specific unanimity instruction. And it seems the reason that
13 it would be applicable in, at least with regard to Count One,
14 is that this is not just a general conspiracy case. It's a
15 conspiracy case of a type of statute that was enacted more
16 relatively recently in our history, like money laundering, like
17 RICO, where the Government bears the burden of proving, in this
18 case they have chosen to allege four different specified
19 unlawful activities. So -- and the Fifth Circuit said, Your
20 Honor, I quote, the general, conventional instruction is,
21 (quote):

22 "Insufficient, if there exists a genuine risk
23 that the jury is confused or that a conviction
24 may occur as a result of different jurors
25 concluding that the Defendant committed

1 different acts."

2 The reason we say that is appropriate in -- the
3 specific unanimity instruction would be appropriate in this
4 case is that we have so many different potential
5 co-conspirators that the Court has -- there have been so many
6 different sinuses of the crime. We have New York, Miami, LA,
7 Sugarland, Mexico, over such a broad range of time. The
8 indictment says from 2006 to the present so we're talking over
9 a decade. What if, Your Honor, the jurors, when they go back
10 into that jury room, some of the jurors think, well, maybe the
11 agreement -- which of course is the perimatic instance of the
12 crime for conspiracy -- the agreement was in 2008 in Mexico.
13 And yet some other juror says no, I think the agreement must
14 have been with a different co-conspirator at some different
15 point in time, years later, when they first came to Miami for
16 the condo. What you could have, Your Honor, would be a
17 conviction without the jurors agreeing on what nucleus of facts
18 actually establishes the crime. That is the risk of confusion.

19 **THE COURT:** They -- but they have to be unanimous on
20 the conspiracy.

21 **MR. MUSCHENHEIM:** Yes --

22 **MR. KRETZER:** Yes.

23 **MR. MUSCHENHEIM:** -- and the men's rea --

24 **THE COURT:** The details here are the unlawful
25 activity --

1 **MR. MUSCHENHEIM:** Right.

2 **THE COURT:** -- whether that had -- that requires
3 unanimity, correct?

4 **MR. KRETZER:** Yes. Yes, of course. We would -- yes,
5 Judge. And I think maybe the Prosecutor --

6 **MR. MUSCHENHEIM:** Right.

7 **MR. KRETZER:** -- they all know the offense. No one
8 would disagree -- I've never heard any Prosecutor say that
9 there does not need to be unanimous --

10 **THE COURT:** No.

11 **MR. KRETZER:** -- very -- various mens rea. That was
12 never our argument.

13 **THE COURT:** What they're saying -- but you're going
14 there with your argument.

15 **MR. KRETZER:** No. We're saying it has to unanimous
16 as to at least -- it's in a multiple object conspiracy, it has
17 to be unanimous as to at least which SUA they are finding on.
18 That's why they're -- that's not -- we submit there shouldn't
19 be a general unanimity, but rather the specific unanimity
20 instruction. General unanimity is in every case which is in
21 regards to mens rea. Here, because the way the statute is
22 structured and requires the various SUAs be proved beyond a
23 reasonable doubt, that's how we're submitting there would be a
24 risk of jury confusion if there was not instruction with regard
25 to --

1 **THE COURT:** But is that required --

2 **MR. MUSCHENHEIM:** No.

3 **THE COURT:** -- for the unlawful activities, for there
4 to be unanimity regarding which unlawful activity?

5 **MR. REYNAL:** If I may, Your Honor?

6 **THE COURT:** I don't think it is under the law. Maybe
7 that we need to clarify some things but I don't -- the way I
8 was reading this, I thought what was submitted -- hold on.
9 What you all submitted, I believe, and what the instruction is,
10 "that in order to return a guilty verdict, all 12 of you must
11 agree that the same one has been proved." "Same one" being the
12 unlawful activity. And I don't know if that's required by law.

13 **MR. REYNAL:** If I may, Your Honor?

14 **THE COURT:** Yes.

15 **MR. REYNAL:** I think it's a -- if memory serves, it's
16 element two or three in money laundering. They have to prove
17 that the money, itself, was the proceeds of specified unlawful
18 activity.

19 **THE COURT:** Right. But --

20 **MR. REYNAL:** And so --

21 **THE COURT:** -- which one --

22 **MR. REYNAL:** -- I --

23 **THE COURT:** -- is the question here.

24 **MR. REYNAL:** -- I agree, Your Honor.

25 **THE COURT:** Okay.

1 **MR. REYNAL:** If we can accept as a principle that
2 they have to be beyond a reasonable doubt on that element, then
3 it stands to reason that where the Prosecutor has elected to
4 have four different SUAs, that they be unanimous as to that
5 that money, the original sin that created that money, has been
6 proved beyond a reasonable doubt. For example, if we had half
7 the jurors believe, you know what, I don't think Mr. Saiz --
8 the Government has proven that Mr. Saiz-Pineda stole money in
9 Mexico.

10 **THE COURT:** Okay. Fine.

11 **MR. REYNAL:** Okay. Half of them say, we don't agree
12 that that happened. Another half of them, six, say yes, that's
13 where it came from, but we don't agree that there was
14 unlicensed money transmitted. Right? You could have a
15 situation where half the jurors believe the Government has met
16 its burden of proof as to unlicensed money transmitted, half of
17 the jurors believe that they've met their burden of proof as to
18 public corruption in Mexico. They put those two together and
19 they say they've met their burden of proving the case beyond a
20 reasonable doubt as to the SUA.

21 **THE COURT:** Because they haven't, right, lawful
22 activity. But you're saying -- I guess we're going back to, is
23 that required? Unanimity on one unlawful activity?

24 **MR. REYNAL:** Your Honor --

25 **THE COURT:** And I didn't think the law says that.

1 **MR. MUSCHENHEIM:** No.

2 **THE COURT:** I understand how it can be confusing, but
3 I'm trying to get to the legal requirement here.

4 **MR. MUSCHENHEIM:** Your Honor, I could find no case
5 that imposed a unanimity requirement on specified unlawful
6 activity. There can be multiple SUAs. All we need to show,
7 the essence of it is the agreement, and the pattern jury charge
8 from the Fifth Circuit, she needs to know this from some form
9 of unlawful activity. If they don't agree unanimously that she
10 thinks the money is from some form of unlawful activity they
11 should vote not guilty. But that's the --

12 **THE COURT:** Some unlawful activity. But as
13 Mr. Reynal argued if six say it came from the embezzlement, if
14 six say it came from something else --

15 **MR. MUSCHENHEIM:** There is -- right.

16 **THE COURT:** What is the Government's position on
17 that?

18 **MR. MUSCHENHEIM:** The jury is not --

19 **THE COURT:** Hold on. I have a question. His
20 hypothetical. Six say it came from the embezzlement, six say
21 it came from some other unlawful activity, the Government's
22 saying that's okay as long as --

23 **MR. MUSCHENHEIM:** It's all dirty money, then they
24 think that Mr. Latour was creating illegal money, he's a
25 Conspirator, that's dirty money. They may think that Mr. Saiz-

1 Pineda embezzled. It's all dirty money. There is no unanimity
2 requirement in a concealment money laundering --

3 **THE COURT:** Yeah, and I did not --

4 **MR. MUSCHENHEIM:** -- conspiracy for the SUA.

5 **THE COURT:** -- see anything. So that's why I'm
6 asking the Defense. Do you have some law that requires
7 unanimity on the unlawful activity? Yes, there must be -- all
8 12 must agree that there was some unlawful activity --

9 **MR. KRETZER:** Yes --

10 **THE COURT:** -- but in terms of which one?

11 I understand the argument situation. I'm just not
12 sure this is the way we deal with it in this unanimity theory.
13 Obviously, Count Two, since we're down to one bank, I don't
14 think we need to worry about instructing anything there,
15 correct?

16 **MR. MUSCHENHEIM:** No and we move to strike from the
17 indictment the two other banks at this time.

18 **THE COURT:** Which is Morgan Stanley --

19 **MR. MUSCHENHEIM:** Royal Bank and Morgan Stanley.

20 **THE COURT:** -- and Royal Bank, correct?

21 **MR. MUSCHENHEIM:** We move to strike that, Your Honor.

22 **THE COURT:** So that, then, does not create an issue
23 on Count Two --

24 **MR. MUSCHENHEIM:** No, Your Honor.

25 **THE COURT:** -- correct? On unanimity?

1 **MR. MUSCHENHEIM:** No.

2 **THE COURT:** So --

3 **MR. REYNAL:** One thing that's raised by Count Two,
4 Your Honor, that I think is important that we deal with, if
5 we're moving on to Count Two --

6 **THE COURT:** Well, I'm just -- I'm still talking --

7 **MR. REYNAL:** -- okay.

8 **THE COURT:** -- because the instruction regarding
9 Count Two also, the unanimity, but I'm saying if we're down to
10 one bank, we don't need to worry about unanimity on Count Two--

11 **MR. MUSCHENHEIM:** We don't.

12 **THE COURT:** -- regarding the banks.

13 **MR. MUSCHENHEIM:** We do not.

14 **MR. REYNAL:** Except in the following sense, Your
15 Honor: the Government, in its indictment, charged a specific
16 misrepresentation and they need to prove and the jury needs to
17 convict based on that specific misrepresentation.

18 **MR. MUSCHENHEIM:** We agree.

19 **MR. REYNAL:** It -- it --

20 **THE COURT:** Okay.

21 **MR. REYNAL:** So we need to incorporate that into the
22 charge.

23 **THE COURT:** Well is that not set forth, I guess, on
24 count two in elements? What's being alleged?

25 (**Counsel confer**)

1 **MR. REYNAL:** In count two, it is a general
2 statement --

3 **THE COURT:** So where is it -- what's the suggestion
4 we add and where?

5 **MR. REYNAL:** That the Defendant --

6 **THE COURT:** Where?

7 **MR. MUSCHENHEIM:** It'd be in the fourth element --
8 well, I guess that's really why, I don't know.

9 **MR. REYNAL:** Well, I think that the scheme -- that
10 the scheme or artifice to defraud was material, employed a
11 false material misrepresentation the nature (indisc.) fact --

12 **MR. KRETZER:** Regarding the movement of monies from
13 the United States.

14 What we would propose to do, Your Honor, on Page 12
15 of the draft that we got yesterday with the fourth element,
16 after material fact, right now, there's a semicolon. We would
17 then in quote directly quote from Page 3 of the indictment
18 where they say (quote),

19 "Their resources of income regarding the movement of
20 monies from the United Mexican States to the United
21 States in furtherance of funding the accounts."

22 **THE COURT:** So on the fourth element after or
23 concealed a material fact --

24 **MR. KRETZER:** Right.

25 **THE COURT:** -- colon and then what's set forth in the

1 indictment?

2 **MR. KRETZER:** Yes.

3 **MR. REYNAL:** Yes, we say that is --

4 **MR. KRETZER:** Right. Then, it's the exact words that
5 they chose to indictment on Page 3 of the indictment. Do you
6 agree?

7 **MR. MUSCHENHEIM:** That's fine, Judge.

8 **MR. KRETZER:** Okay.

9 **THE COURT:** Okay. That way would -- okay. So going
10 back to unanimity, we're still not clear.

11 **MR. MUSCHENHEIM:** Judge, I could not find a case --

12 **THE COURT:** I know.

13 **MR. MUSCHENHEIM:** -- and I have looked for years for
14 this --

15 **THE COURT:** You've already said that so I'm like
16 (indisc.) and here's the defense is going to have to convince
17 me here. I'm just not seeing --

18 **MR. KRETZER:** Sure. The way that we would endeavor
19 to convince the Court is that, again, this is a special
20 instruction, the unanimity instruction. It goes beyond the
21 general unanimity instruction and that's because the way we
22 would convince the Court is to see that there is this real risk
23 of jury confusion. That's the situation in which the special
24 instruction is justified. The --

25 **THE COURT:** Both sides like this Cessa (phonetic)

1 case. Did that only involve one specified unlawful activity or
2 did it have multiple things? What did they do there?

3 **MR. KRETZER:** I think there were three, if I recall,
4 specified unlawful activities in Cessa. Correct me if I'm
5 wrong but I think the there were three.

6 **MR. MUSCHENHEIM:** I --

7 **THE COURT:** Their unanimity instruction in that case?

8 **MR. KRETZER:** Let me look at the chart, Judge. I
9 don't know if they requested it but let me look.

10 (**Pause / Counsel confer**)

11 No, Judge. I think in that case, they just give the
12 general unanimity instruction. I do not know if the parties in
13 that case requested the special unanimity instruction.

14 **THE COURT:** I know. I'm just not hearing that the
15 law requires that. I'm not going to submit it at this point.
16 We can continue looking at it.

17 **MR. KRETZER:** Sure.

18 **THE COURT:** Then, I believe the defense had requested
19 a submission regarding the spending of money.

20 **MR. KRETZER:** Yes.

21 **THE COURT:** Anything else on that issue?

22 **MR. MUSCHENHEIM:** We're opposed to that, Your Honor.
23 It's not -- we don't believe it's a correct statement of the
24 law.

25 **MR. KRETZER:** Judge, I would just respond with what's

1 quoted directly from the Fifth Circuit cases that have reversed
2 on that issue. It's not something I made up. I mean, we're
3 direct quoting from the controlling case law.

4 **THE COURT:** Court's going to sustain the Government's
5 objection on that. We'll not include that so the Court, at
6 this point, rulings not including comingling instruction
7 requested by the Government, not including the unanimity
8 instruction requested by the defense in regards to particularly
9 the SUAs. Court's not including the -- I'll call it the
10 spending instruction requested by the defense.

11 There was a proposed verdict submitted by the defense
12 -- Government last night regarding count one. Did you-all look
13 at that?

14 **MR. KRETZER:** I looked at it briefly, Judge. I
15 think --

16 **MR. MUSCHENHEIM:** It came from the Cessa case, Judge.
17 I think that's where I got. It's just so that we have
18 unanimity about mens rea on count one. We talked about it --

19 **MR. KRETZER:** Right. I think that's the way the
20 Court has ruled. I think our issue with that verdict form --
21 and I know it came in late. I should probably look at it
22 again, but the -- I think the issue there is that we would,
23 again, want the -- and I think the prosecutor and I spoke about
24 this yesterday, the -- I'm not sure the form reflects that the
25 jury found SUA beyond a reasonable doubt. I think that was my

1 issue when we talked about yesterday --

2 **MR. MUSCHENHEIM:** We'll get that going --

3 **MR. KRETZER:** Let's take another look at it. I think
4 we had some discussions yesterday.

5 **THE COURT:** At the submission --

6 **MR. KRETZER:** Yes, for the verdict form.

7 **THE COURT:** -- from the Government regarding count
8 one. Okay.

9 Then, you-all are going to work on the details --

10 **MR. MUSCHENHEIM:** I'm going to try to do that right
11 now so we can have something in writing to submit to the Court,
12 hopefully jointly, --

13 **THE COURT:** -- on the SUAs because that's not --

14 **THE COURT:** Okay. I'm going to --

15 **MR. MUSCHENHEIM:** I don't know if it'll be jointly or
16 not. We'll try.

17 **THE COURT:** I'm going --

18 **MR. MUSCHENHEIM:** Judge, I have one other comment on
19 the venue part. The Court listed Sugar Land on the kind of
20 draft working copy we got yesterday --

21 **THE COURT:** Yes, I think we underlined just kind of
22 wondering to see we -- you-all -- we needed to do there.

23 **MR. MUSCHENHEIM:** I'm going to find it. I'm not
24 finding it. Anyway, it was on the venue --

25 **THE COURT:** It's on Page 7.

1 **MR. MUSCHENHEIM:** Thank you, Your Honor. We would
2 ask you to include Houston also because there's -- the bank was
3 in Houston when they met with Mr. Arnold.

4 **MR. KRETZER:** That sounds fine to us, Judge. Houston
5 and Sugar Land --

6 **THE COURT:** Okay.

7 **MR. KRETZER:** -- are both in the Southern District.

8 **MR. REYNAL:** We'd request -- I think it's been raised
9 by the evidence, the instruction that was given in Cessa which
10 is a Fifth Circuit pattern on accomplice, co-conspirator, deal
11 with the Government witnesses.

12 **THE COURT:** The agreements? Is that what you're
13 talking about where someone testifies --

14 **MR. REYNAL:** It says you need to weigh with
15 particular care, you've had in front of you people who have
16 been described as co-conspirators and who may have some sort of
17 agreement with the Government. That evidence should be taken
18 with care. It's a standard --

19 **THE COURT:** I know what you're talking about, I was
20 just trying to figure out how it applied and to who. Whether
21 it was a proper agreement you're talking about or what. So
22 what's Mr. Muschenheim's position on that?

23 **MR. MUSCHENHEIM:** Pattern Jury Charge 1.15, there is
24 no plea agreement and that was the testimony I think as to
25 something that Counsel gets to argue.

1 **MR. REYNAL:** The instruction, we look at it says:

2 "Accomplish" -- sorry. Accomplish. I'd like to
3 accomplish something today but I don't know about that.

4 "Accomplice (dash) co-defendant (dash) plea
5 agreement." So I think that this can be -- can be modified.
6 And then we have the one before it which is accomplice (slash)
7 informer (slash) immunity. I think we can modify these to fit
8 the testimony in the case. I think, in fact, maybe accomplice
9 and former immunity is the preferred one. I don't know.

10 "The testimony of an alleged accomplice and/or" --
11 the government has certainly alleged that these people are
12 accomplices. -- "and/or the testimony of one who provides
13 evidence against the defendant as an informer for pay, for
14 immunity from punishment --

15 **THE INTERPRETER:** Your Honor --

16 **THE COURT:** Hold on. Slow down.

17 **MR. REYNAL:** "The testimony of an alleged
18 accomplice," (comma), "and/or the testimony of one
19 who provides evidence against the defendant as an
20 informer for pay," (comma), "for immunity from
21 punishment," (comma), "or for personal advantage or
22 vindication must always be examined and weighed by
23 the jury with greater care and caution than the
24 testimony of ordinary witnesses."

25 And I believe -- and it goes on. I won't burden our

1 translator with reading the whole thing into the record. It's
2 1.14. I think that the fact that all these gentlemen made
3 millions of dollars and they have no -- I think I asked each
4 one of them, "Has the government asked you to get that back?"
5 "Are you hoping to keep it?" I think Mr. Monterrubio said that
6 his understanding was that nothing was going to happen to him.
7 I think it's been raised by the evidence.

8 **THE COURT:** Mr. Muschenheim?

9 **MR. MUSCHENHEIM:** There is no immunity agreement;
10 there is no paid informer.

11 **THE COURT:** Right so what would apply would be
12 potentially any personal advantage or vindication, I guess.

13 **MR. MUSCHENHEIM:** I would be happy to take a look at
14 what the court is thinking and submitting. Maybe I can comment
15 again. Counsel seems to be trying to edit it as we're speaking
16 here and I'm not quite sure what the -- what they're
17 requesting. Yeah.

18 **THE COURT:** I think he's requesting that whole
19 instruction. Obviously we have to tailor it. There's not an
20 informer here; there's no immunity here. I guess personal
21 advantage might fit. So you want to look at that and see if we
22 need to --

23 **MR. MUSCHENHEIM:** Sure.

24 **MR. REYNAL:** I think immunity has probably been
25 raised by the evidence at this point. We could inquire --

1 **THE COURT:** But there's --

2 **MR. REYNAL:** -- of the government whether they intend
3 to prosecute any of these gentlemen.

4 **THE COURT:** But I think the evidence was there's no
5 immunity.

6 **MR. MUSCHENHEIM:** There's no immunity agreement.

7 **MR. REYNAL:** Well, I think that -- I think that the
8 law doesn't draw such a fine distinction between an immunity --
9 a transactional immunity agreement approved by a main justice
10 in Washington and the word of a prosecutor that you do what we
11 want and nothing bad's going to happen to you.

12 **THE COURT:** I'm just saying -- I'm not telling you
13 we're not going to submit this. I don't know yet. I'm saying
14 some of these don't apply to the evidence before the court.

15 **MR. REYNAL:** Right. Thank you.

16 **THE COURT:** So we'd have to tailor the language if
17 it's going to be submitted.

18 Mr. Muschenheim?

19 **MR. MUSCHENHEIM:** Well, I can understand the court
20 saying "personal advantage" or "vindication" but there's no
21 paid informer. Immunity agreements come from the court, not
22 from the executive branch. There's not one of those and no one
23 was an informer for pay. I just think Counsel argues -- he can
24 argue, well, look, the government didn't take their stuff yet.
25 The government didn't take their stuff. They can argue that.

1 **THE COURT:** Right. But they're requesting
2 instruction that informs the jury --

3 **MR. MUSCHENHEIM:** Yes and I'm -- and I guess I'm
4 trying to tailor it here and I can understand the court putting
5 in personal advantage or vindication, something like that, but
6 the other parts of it, that 1.4 don't apply to this case. I
7 mean, I can understand saying the testimony of an alleged
8 accomplice must be weighed with great care. I can see where
9 the court would give that. I don't think that's -- would be
10 wrong to give that charge in this case. It's just calling them
11 informers for pay. Immunity, those things aren't in this case.

12 **THE COURT:** I agree. That's not -- that would not be
13 part of that instruction.

14 **MR. MUSCHENHEIM:** That's fine.

15 **THE COURT:** Okay. What else? From the government?

16 **MR. MUSCHENHEIM:** Nothing else, Your Honor.

17 **THE COURT:** Okay. Let me see.

18 **MR. REYNAL:** If we're sort of going page-by-page
19 here, Your Honor, we'd ask that in the -- and I guess we'll
20 wait to see what the revised money laundering one looks like.
21 If it comes out, to say so. But in terms of the bank fraud, we
22 have the general charge here which refers to financial
23 institution and later on says it has to be FDIC insured. We'd
24 request that that be put into each element that it applies.

25 "That Defendant knowingly executed a scheme or

1 artifice to defraud a federally -- FDIC insured bank
2 as alleged in the indictment.

3 "That the defendant had the intent to defraud the
4 FDIC insured bank.

5 "That the scheme or artifice to defraud was
6 material --

7 Well that part's fine.

8 "And that the defendant placed the FDIC insured bank
9 at a risk of civil liability or financial loss."

10 **THE COURT:** Mr. Muschenheim?

11 **MR. MUSCHENHEIM:** I don't recall that her knowledge
12 of -- we have to prove it's FDIC but I don't recall that she
13 has -- I don't know that it goes in every part of that, Your
14 Honor.

15 **THE COURT:** It doesn't.

16 **MR. MUSCHENHEIM:** Yeah. I don't think it does.

17 **THE COURT:** It's in the instruction.

18 **MR. MUSCHENHEIM:** I'm just trying to find it and
19 think that's in the charge --

20 **THE COURT:** Yes. The court's not inclined to do
21 that.

22 **MR. MUSCHENHEIM:** Thank you, Your Honor.

23 **THE COURT:** Any -- anything else? So we're going to
24 include the extra language on Count Two to direct it to the
25 indictment. You-all are going to work on the elements of

1 the --

2 **MR. MUSCHENHEIM:** we're going to work on and try to
3 get a joint specified unlawful activity.

4 **THE COURT:** -- SUAs. We're going to alter the
5 accomplice instruction. I'm going to throw in the summary
6 instruction. Anything else?

7 **MR. MUSCHENHEIM:** No, Your Honor.

8 **MR. REYNAL:** I don't think so.

9 **THE COURT:** Okay. So we've got some time to work on
10 that and try to get you a little bit cleaner copy.

11 **MR. MUSCHENHEIM:** Thank you, Your Honor.

12 **THE COURT:** But I do rely on you-all to do the
13 submissions on the -- unlawful activity submissions.

14 **MR. MUSCHENHEIM:** Yes, Your Honor.

15 (**Pause; voices off the record**)

16 (**Recess taken from 9:00 a.m. to 9:39 a.m.**)

17 (**Outside the presence of the jury**)

18 (**Hearing already in progress**)

19 **MR. REYNAL:** -- as I was sitting there thinking
20 through the pattern charges, I would request the -- there's a
21 pattern charge --

22 (**Mr. Reynal/Mr. Speaker confer**)

23 **MR. REYNAL:** -- 1.09 on character evidence. We had
24 testimony as to my client's character so I think it'd be
25 appropriate to include that charge. And then may I?

1 **MR. SPEAKER:** Yes.

2 **MR. REYNAL:** Then there is a pattern charge on good
3 faith, and I will look for it. And we were also going to offer
4 that one.

5 **THE COURT:** Okay, you want to let me know where that
6 is? I don't know, Mr. Kretzer, if you all had a chance to
7 review further what the Government had proposed in terms of the
8 verdict form. That's what I was trying to pull --

9 **MR. KRETZER:** Right.

10 **THE COURT:** -- that case up but it sounds like they
11 grabbed it from there.

12 **MR. KRETZER:** Judge, I have available -- this is the
13 first Cessa trial the May, 2013 jury verdict form on my
14 computer and I can --

15 **THE COURT:** Okay.

16 **MR. KRETZER:** -- show that to the Court right now.

17 **THE COURT:** Yeah, let's see.

18 **MR. KRETZER:** Sure.

19 **THE COURT:** And then it was tried again --

20 **MR. KRETZER:** Right.

21 **MR. MUSCHENHEIM:** That's correct.

22 **THE COURT:** And is that the one you got --

23 **MR. MUSCHENHEIM:** Yes, Your Honor.

24 **THE COURT:** (Indisc.)

25 **MR. MUSCHENHEIM:** Yes, Your Honor.

1 **THE COURT:** Why does it have Shreveport but it was
2 tried in Austin or what?

3 **MR. MUSCHENHEIM:** I don't know all the facts but it
4 was a wide-ranging conspiracy --

5 **THE COURT:** Okay.

6 **MR. MUSCHENHEIM:** -- of --

7 **THE COURT:** Anyway.

8 **MR. KRETZER:** This is just Westlaw. I don't know if
9 they always get everything --

10 **THE COURT:** Yes.

11 **MR. KRETZER:** -- right. They might think Shreveport
12 is Dallas and --

13 **THE COURT:** Yeah.

14 **MR. MUSCHENHEIM:** I know some of the facts, very
15 interesting case.

16 **THE COURT:** Okay, is -- we are on the record for
17 this, Genay. Then is there any objection to the request on
18 character evidence? It is appropriate.

19 **MR. MUSCHENHEIM:** I don't see -- think so. I think
20 if they raised it, Judge, --

21 **THE COURT:** Yeah, they did.

22 **MR. MUSCHENHEIM:** I think they did so --

23 **THE COURT:** And then they're looking at good faith.

24 **MR. REYNAL:** And we're looking for good faith.

25 **MR. MUSCHENHEIM:** That one I'm -- I don't remember

1 that one.

2 **THE COURT:** I gave my --

3 **MR. REYNAL:** And I'm going from memory, too, so I
4 just --

5 **MR. MUSCHENHEIM:** And Mr. Kretzer and I are working
6 hard on a joint filing --

7 **THE COURT:** Yes.

8 **MR. MUSCHENHEIM:** -- on the SUA elements. And I
9 don't know that we'll get that finished before testimony
10 starts.

11 **THE COURT:** But at least --

12 **MR. MUSCHENHEIM:** But we're working hard to get a
13 joint filing on that. And then Ms. Hampton's going to want to
14 see it after -- and Mr. Reynal will want to see it before we
15 submit it to the Court, Your Honor.

16 **THE COURT:** That's fine.

17 **MR. KRETZER:** Those two individuals looking, I don't
18 think it'll be a contentious or --

19 **MR. MUSCHENHEIM:** I don't think that's a --

20 **THE COURT:** Yeah

21 **MR. MUSCHENHEIM:** -- going to be a big thing at all.

22 **THE COURT:** Can I see your pattern jury charge? My
23 clerk has mine.

24 **MR. KRETZER:** I'm going to send you the one that was
25 in the Cessa case right now.

1 **THE COURT:** Okay.

2 **MR. KRETZER:** I just sent that to you in Word.

3 **MR. MUSCHENHEIM:** You didn't see the mustache and
4 devil's ears here on Judge Head's picture in the front. Just
5 don't look at that.

6 **THE COURT:** I'll take a picture and send it to him.
7 Oh, he personally autographed it for you.

8 **(Mr. Kretzer/Ms. Speaker confer)**

9 **(Pause from 9:42 a.m. to 9:43 a.m.)**

10 **MR. REYNAL:** I think it only applies in tax cases,
11 Your Honor.

12 **THE COURT:** Okay. So --

13 **MR. SPEAKER:** Are we about to get started?

14 **THE COURT:** No, no, no, no, I just came in to talk
15 about -- I know you all were going to confer on the verdict
16 form so I was wondering if we had at least seen the Cessa case
17 verdict form, but it sounds like what was submitted by the
18 Government is probably tracking that exact case.

19 **MR. MUSCHENHEIM:** Well, I'm already --

20 **MR. KRETZER:** Yeah, I'm pulling it right now. The --

21 **MR. REYNAL:** No, the one that we're going to use in
22 this case.

23 **(Mr. Kretzer/Mr. Muschenheim confer)**

24 **THE COURT:** Because they're alleging Count One in
25 alternate --

1 **MR. KRETZER:** Right.

2 **THE COURT:** -- forms.

3 (**Mr. Kretzer, Mr. Muschenheim, Mr. Reynal confer**)

4 (**Pause from 9:45 a.m. to 9:46 a.m.**)

5 **THE COURT:** You all can look at it some more. I just
6 -- I didn't realize you all had looked at the Cessa one and
7 that's kind of what had been submitted. You all can keep
8 looking at that. And the SUA, correct?

9 **MR. MUSCHENHEIM:** We're still working on those,
10 Judge.

11 **THE COURT:** That's fine.

12 **MR. REYNAL:** Are we going to get started at 10:00?

13 **THE COURT:** Yes.

14 (**Recess taken from 9:46 a.m. to 9:57 a.m.**)

15 (**Outside the presence of the jury**)

16 **THE COURT:** All right, you can have a seat. Is the
17 jury here, Adrian?

18 **CSO PEREZ:** Yes, Judge.

19 **THE COURT:** Okay, we're ready to go. We just waiting
20 on Mr. Muschenheim?

21 **MR. KRETZER:** I think he went out to redo work on the
22 charge.

23 **THE COURT:** Okay.

24 **MR. KRETZER:** (Indisc.)

25 **THE COURT:** So he's not going to come in right now?

1 **MR. KRETZER:** I believe so, yes.

2 **MS. HAMPTON:** I believe so, Your Honor.

3 **MR. KRETZER:** That's what he told me.

4 **THE COURT:** Okay, he's not coming, we're not waiting
5 on him.

6 **MR. KRETZER:** No.

7 **THE COURT:** That's what Mr. Kretzer says, anyway.

8 **MR. KRETZER:** I would not misrepresent to the Court
9 that a prosecutor's not coming so --

10 **THE COURT:** So whenever the jury's ready, we can
11 bring them in. The defense will present their next witness.

12 (**Pause**)

13 **THE MARSHAL:** All rise for the jury.

14 (**Jurors enter at 9:59 a.m.**)

15 **THE COURT:** Good morning.

16 (**Jurors respond in the affirmative**)

17 **THE COURT:** You can have a seat. Does the Defendant
18 have any other witnesses?

19 **MR. REYNAL:** Yes, Your Honor. The defense calls
20 Silvia Beatriz Perez-Ceballos.

21 **THE COURT:** Good morning, ma'am, if you'll approach
22 over here and raise your right hand.

23 //

24 //

25 //

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1 **SILVIA BEATRIZ PEREZ-CEBALLOS, DEFENDANT, SWORN**

2 **THE COURT:** You can have a seat.

3 **MR. REYNAL:** Good morning.

4 **THE WITNESS:** Good morning.

5 **DIRECT EXAMINATION**

6 **(Testimony translated through interpreter)**

7 **BY MR. REYNAL:**

8 Q You've been waiting for this day for a long time.

9 A Yes.

10 Q Would you please introduce yourself to the ladies and
11 gentlemen of the jury?

12 A Yes, I'm Silvia Beatriz Perez-Ceballos, 49 years of age, a
13 psychologist by profession, currently a housewife.

14 **THE COURT:** Okay, if you could -- I know you all are
15 sharing the microphone but maybe we can hear her also.

16 **THE INTERPRETER:** Yes, Your Honor.

17 **BY MR. REYNAL:**

18 Q I'd like to begin in part there. Where did you grow up?

19 A In Villahermosa, Tabasco.

20 Q And what was -- what kind of town was Villa (phonetic)
21 when you were a little girl?

22 A It was and is a small city in Mexico. It's not a big
23 city. As we say, it's a province. Most people know each
24 other. It's calm, it's a very calm city.

25 Q Do you have any brothers and sisters?

1 A Yes.

2 Q Can you -- who are they, tell us who they are?

3 A I have five siblings. I'm the eldest. Celso is an
4 engineer by profession; my brother Manuel, who has a bachelor's
5 degree in information technology; my sister, Ila (phonetic) who
6 is an accountant; and, lastly, Juan who is still studying.

7 Q What did your parents do for work?

8 A My dad is an accountant, and my mom to this day is a
9 seamstress. I don't know, she makes clothing, she makes
10 outfits.

11 Q Was it a close-knit family growing up?

12 A We are very close-knit.

13 Q At some point did you choose to leave Villahermosa and
14 move to Guadalajara?

15 A Yes.

16 Q Can you tell us how old you were and why you went to
17 Guadalajara?

18 A At 18 years of age, I finished high school and I went to
19 study a career in psychology in Guadalajara.

20 Q What originally attracted you to the profession of being a
21 psychologist?

22 A I like to speak to people, I like to listen to people. So
23 looking for a type of career or what to study, I always lean
24 towards humanities.

25 Q In what year did you move to Guadalajara?

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1 A In 1985.

2 Q And how long did you live there?

3 A Four and a half years.

4 Q Did you get your degree as a psychologist?

5 A A psychologist with a specialty in clinical psychology.

6 **MR. REYNAL:** Can I have the ELMO, please?

7 Q I'm going to show you what's been marked for
8 identification as defense Exhibit 1; do you recognize it?

9 A Yes.

10 Q What is it?

11 **MR. REYNAL:** Move to admit --

12 A It's my diploma for my career in psychology, for my
13 psychology studies, my degree in psychology.

14 **MR. REYNAL:** Move to admit, Your Honor.

15 **MS. HAMPTON:** No objection, Your Honor.

16 **THE COURT:** It's admitted.

17 (**Defendant's Exhibit Number 1 was received in evidence**)

18 (**Pause**)

19 **BY MR. REYNAL:**

20 Q And is that a picture of you; how old are you in that
21 picture?

22 A Yes, 21 years old.

23 **MR. REYNAL:** Nice hairdo.

24 Q I'm going to hand you what's been marked for
25 identification as defense Exhibit 2; can you tell us what it

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1 is?

2 A It's my photograph of my class in my studies.

3 **MR. REYNAL:** Move to admit, Your Honor.

4 **MS. HAMPTON:** No objection, Your Honor.

5 **THE COURT:** It's admitted.

6 **(Defendant's Exhibit Number 2 was received in evidence)**

7 **BY MR. REYNAL:**

8 Q And do you see yourself in this picture?

9 A Yes.

10 Q Can you tell us maybe what the lady standing next to you
11 looks like?

12 A It's the second row. I'm next to a person with blonde,
13 short hair.

14 Q Is that you?

15 A Yes.

16 Q After you graduated, where did you move?

17 A I returned to Villahermosa.

18 Q And did you start working?

19 A Yes.

20 Q Who did you live with at the time?

21 A At my parents' house.

22 Q And where was your first job after college?

23 A At the psychiatric hospital in Villahermosa.

24 Q Can you describe for us the psychiatric hospital in
25 Villahermosa?

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1 A It was a health center, very austere. There was a type of
2 -- there were large rooms with beds. The outpatient area had
3 several offices and a reception area.

4 Q What types of ailments did the people who were at the
5 psychiatric asylum in Villahermosa suffer from?

6 A Specifically disorders such as psychosis, schizophrenia,
7 paranoia, dementia.

8 Q At that time, what was the accepted -- the late eighties,
9 early nineties, what was the accepted treatment for people who
10 had schizophrenia or other types of psychological diseases?

11 A Specifically treatment was done with medications. Lithium
12 only was used. The other type of treatment was electroshock.

13 Q How long did you work at the psychiatric asylum with
14 adults?

15 A Just eight months.

16 Q At some point in that period, did you have the opportunity
17 to participate in helping children who had mental conditions?

18 A Yes.

19 Q Can you tell us about that?

20 A Yes. Children were only worked on as outpatients. They
21 were not admitted. Generally -- well, the contact I had was
22 with autistic children. And at the time, autism was considered
23 within psychosis. And at the time, I met two children in
24 particular with whom I had the opportunity to work. But
25 because they were more or less reaching their stage of

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1 adolescence, they had increasingly aggressive episodes,
2 especially because there were no specific therapy treatments
3 for them.

4 Q At that time -- well, do you agree that autism is like
5 schizophrenia or some other type of psychosis?

6 A No.

7 Q Today, is autism seen as being very different from
8 schizophrenia or other type of psychosis?

9 A Totally.

10 Q At that time, how were these children with autism treated
11 at the psychiatric institute?

12 A When they reached an aggressive outbreak, the only
13 treatment that they were given was electroshock.

14 Q Did you observe these electroshocks being administered?

15 A Yes.

16 Q How did that make you feel?

17 A Oh, it's terrible. Children, adults, in any form, it's
18 something that's really strong.

19 Q Do you remember who those first two kids were that you
20 started working with?

21 A Yes.

22 Q Who were they?

23 A One of them was named Abraham, the other one Daniel.

24 Q Were you able to help both of them?

25 A At that time, no.

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1 Q Did one of them die?

2 A Yes, there was an incident at that time. One of them, the
3 younger one, was very mischievous and he was at the house,
4 tried to leave through the window. The window closed. And
5 most of these children don't have any language or means of
6 communication. He was found with the window closed upon his
7 neck and he died. No one could help him.

8 Q Did you decide to go back to school at that point to focus
9 your career on helping children?

10 A I decide to quit the hospital. It really was an
11 unpleasant experience for me. And, yes, I returned to
12 Guadalajara to study at ITESO, which is the Western Institute
13 for Technology and Higher Studies, and I decided to study a
14 degree in normal development and psychopathology in children.

15 Q When you -- career-wise when you came back to
16 Villahermosa, what was the next step?

17 A When I returned, I opened a center of specialized
18 stimulation for children.

19 Q Who worked with you at the center?

20 A I could precisely do it because my best friend studied
21 with a specialization in special education. And together, we
22 opened the center.

23 Q In approximately what year was this?

24 A Ninety-two, I think it was '92.

25 Q In addition to working at your own center, at some point

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1 did you become involved with a -- something -- a center called
2 Unete (phonetic)?

3 A Yes. At the time, we were a few people who focused on the
4 area of special education and psychology and you were invited
5 to participate in a new project created at the state with
6 precisely the same model that we had started.

7 Q Can you describe the model for us; what was the model?

8 A The center is in charge of working with children from age
9 zero to adolescents who have illnesses such as cerebral palsy,
10 autism, or Down syndrome but at profound levels, they're
11 totally dependent. And for the first time, an area was
12 integrated specifically to work with children with autism.

13 Q No electroshocks.

14 A No.

15 Q Was Unete as a program successful?

16 A Yes.

17 Q Did it attain a national reputation for excellence?

18 A Yes.

19 Q Were there magazine articles written about it?

20 A Yes. Yes, I did an interview for Televisa (phonetic), one
21 of the most important stations in Mexico.

22 Q I'm going to hand you what's been marked for
23 identification as defense Exhibit 3; do you recognize these
24 photographs?

25 A Yes.

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1 Q What are they photographs of?

2 A They're photos of Unete and my work at Unete.

3 **MR. REYNAL:** Move to admit, Your Honor.

4 **MS. HAMPTON:** No objection, Your Honor.

5 **THE COURT:** They're admitted.

6 **(Defendant's Exhibit Number 3 was received in evidence)**

7 **BY MR. REYNAL:**

8 Q What year would this picture have been taken about?

9 A Ninety-four, 1994.

10 Q Do you recognize anybody in this picture?

11 A Yes.

12 Q Do you see yourself in this picture?

13 A Yes.

14 Q Can you identify an item of your clothing for us, perhaps
15 something in your hair?

16 A A yellow flower in my hair.

17 Q Is that you?

18 A Yes.

19 Q Do you recognize this person over here?

20 A Yes.

21 Q What's her name?

22 A Lupita.

23 Q How long did you treat Lupita?

24 A Until I left the center. She continued on there.

25 Approximately eight or nine years.

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1 Q What does this picture show?

2 A That's the area for psychomotor and physical therapy.

3 Q And this photograph?

4 A There, it's a type of what would you call that, you work
5 with children with cancer and it's a recreational area at the
6 same time. They have group therapy including clay, painting,
7 looking to motivate them so that they can keep fighting for
8 their life.

9 Q How about this photograph here?

10 A It's also from Unete.

11 Q And what is this picture depicting, what is it showing?

12 A There we're working with children with mental deficiencies
13 on their psychomotor skills.

14 Q And is that you with the yellow flower in your hair?

15 A Yes.

16 Q Can you describe for us sort of your daily work schedule
17 between your clinic and Unete during the late nineties, early -
18 - what year did you stop working at Unete as well,
19 approximately?

20 A Yes. We started work at 8:00 a.m. at Unete. We had a
21 school-like schedule so we ended at 3:00 p.m., and so I,
22 between 4:00, 4:30, went to my own center where I stayed until
23 8:00 or 8:30 p.m. more or less.

24 Q And where was your center located in relation to your
25 parents' house?

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1 A There is a part in the street exactly behind my parents'
2 home. Since my parents have a lot that goes from one block to
3 the next, in the back there are commercial buildings and I was
4 at one of those.

5 Q Did there come a time when you decided once more to change
6 your specialization in terms of psychology?

7 A I stopped working at Unete at around 2004. The reason was
8 I already had two daughters. The youngest started having
9 little problems at school and was sent to the psychologist. My
10 husband told me things were no longer working so we decided --
11 I decided to stop working in the mornings at Unete and switch
12 my private practice to the morning so that I could have my
13 afternoons off. And on the weekends, I started studying a
14 master's degree program in Gestalt therapy.

15 Q Did you receive your diploma in Gestalt therapy?

16 A Yes.

17 Q And how did that affect the type of services that you
18 provided at your clinic?

19 A I started my Master's degree in Gestalt psychotherapy at
20 Cesun (phonetic) which is a center for human studies -- for
21 humanity studies. Gestalt psychotherapy is a type of therapy
22 that applies to both adults and children. It's very
23 humanistic, very quiet-centered and I was not planning on
24 returning to work but they offered me at Cesun the opportunity
25 to teach classes in the Master's degree program.

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1 While working as a teacher, we planned a project.
2 Well, Cesun is only devoted to adolescents and children --
3 excuse me. Cesun was only devoted to adolescents and adults
4 and so while working as a teacher, the plan was to open up a
5 children's area and I was to be in charge of that. So there we
6 offered workshops for children in self-esteem and positive
7 development in general, values, anything that could help better
8 development in general.

9 Q I'm going to show you what's been marked for
10 identification as Defense Exhibit 4. Do you recognize those
11 photographs?

12 A Yes.

13 Q Can you tell us what they are photographs of?

14 A Those are the facilities at Cesun.

15 **MR. REYNAL:** Move to admit, Your Honor.

16 **MS. HAMPTON:** No objection, Your Honor.

17 **THE COURT:** They're admitted.

18 **(Defendant's Exhibit Number 4 was received in evidence)**

19 **BY MR. REYNAL:**

20 Q Let me just -- what are we looking at here?

21 A The main entrance.

22 Q Here?

23 A It's the same, just to one side.

24 Q And what's it say on the door in the photograph?

25 A Cesun.

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1 Q What are we looking at here?

2 A That's where the classrooms were for the children's
3 workshops.

4 Q Those were the ones you operated?

5 A Yes.

6 Q While you were working at Cesun, did you also continue
7 having your private clinical practice?

8 A Yes, always.

9 Q Did it change to dealing more with children and
10 adolescents with milder problems or did you continue seeing
11 both children with autism and Down Syndrome as well as children
12 who were having milder difficulties?

13 A In 2006, my partner and friend married and moved to the
14 state of Toluca, Mexico. And so I no longer continued working
15 with the special education area because I no longer had a
16 therapist. So I started work -- I started doing the work of
17 Gestalt psychotherapy.

18 Q And when you said earlier a therapist who worked for --
19 worked with, you meant a physical therapist?

20 A A therapist in general, she worked with speech pathology,
21 psychomotor skills and cognitive therapy.

22 Q And what was your kind of focus?

23 A With the emotional portion and integrating the child into
24 what would be family and society. Everything referring to
25 conduct, means of conduct, socialization and how to integrate

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1 both facilitating means of communication and general
2 integration specifically with the family nucleus.

3 Q You haven't worked as a psychologist since 2013?

4 A No.

5 Q Do you miss it?

6 A Very much.

7 Q Let's talk about your family. You have daughters?

8 A Yes, two.

9 Q When were they born?

10 A Valeria in 1996 and Tania in 1998. Thank you.

11 Q You're married?

12 A Yes.

13 Q What's your husband's name?

14 A Jose Manuel Saiz-Pineda.

15 Q What do you -- what does everybody call him?

16 A Pepe.

17 Q How did you and Pepe meet?

18 A When I returned from Guadalajara, I went to a high school
19 class reunion party. He went and that's where we met.

20 Q What attracted you to him or him to you in the -- at the
21 beginning?

22 A When we went -- when we met that day and we sat down to
23 talk, it was as though I'd met him before. There was a lot of
24 chemistry.

25 Q How long did you-all date?

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1 A Four years.

2 Q Where did you live during that period?

3 A At my parents' house.

4 Q How was Pepe employed at the time?

5 A He had his accounting office.

6 Q Do you recall what it was called then?

7 A I don't think it had a name, Associated Accountants,
8 something like that.

9 Q Are you a numbers person?

10 A No.

11 Q Do you enjoy talking about accounting?

12 A Never.

13 Q Now, both your father and your husband are accountants?

14 A Yes, my sister as well.

15 Q Does that surprise you?

16 A No.

17 Q In what year did you get married?

18 A 1994.

19 Q Had Pepe been married before?

20 A Yes.

21 Q Did he have children from his prior marriage?

22 A Yes.

23 Q When you got married, did Pepe insist upon a particular
24 financial designation for your type of matrimony?

25 A Yes.

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1 Q Tell us about that.

2 MS. HAMPTON: Objection, Your Honor. That calls for
3 hearsay.

4 THE COURT: What -- it --

5 MR. REYNAL: The question --

6 THE COURT: I guess depending on how she takes the
7 question. Rephrase it so it can be more specific.

8 BY MR. REYNAL:

9 Q When you entered into your marriage, did Pepe insist upon
10 and was there a particular sort of legal designation for how
11 your property will be treated?

12 A Yes.

13 Q Please explain that to us.

14 A We were married with separate property. In Mexico, there
15 are two ways to do that. You can be married through joint
16 property or through separate property. Each of us had a
17 profession. We each made our own money. So he decided it
18 would fair if we each had our own thing. So we married through
19 separation property.

20 Q Now, does that apply to property that comes into the
21 marriage after you're married as well?

22 A Yes.

23 Q How did that make you feel?

24 A In reality, I didn't consider it as anything that was that
25 important. It didn't -- it wasn't anything that bothered me or

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1 Pepe.

2 Q After you got married, you and Pepe moved in together?

3 A Yes.

4 Q From that day forward and with your daughters, was there a
5 particular financial arrangement between the two of you?

6 A Yes.

7 Q Tell the members of the jury what the financial
8 arrangement was.

9 A Financial and professional, I could continue working in my
10 profession with my money as long as the house and the daughters
11 were well cared for.

12 Q I've heard a story about a pair of pants. Can you tell us
13 that story?

14 A He has always been very independent. So when I would ask
15 him where he was going, why he was late, things that wives
16 sometimes ask, he would say he wore the pants and if I was
17 lacking for nothing, he considered it his right to his time.

18 Q I want to concentrate during the period between when you
19 got married in 1994 and when Pepe started working on the
20 election campaign in 2006. Can you describe for us his
21 professional trajectory during that time?

22 A From before he entered government? He started with his
23 office when I met him. He had two or three partners and then
24 he worked in accounting for a long time, mainly tax
25 preparation, some auditing. He then got his Master's degree in

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1 taxation at the Institute for Specialization of Executives. So
2 this institute was headed by Mr. Carlos Orozco Filgueres, a
3 very illustrious tax specialist in Mexico where he had his
4 office. So upon completing his Master's, he was invited to
5 form part of what was Orozco Filgueres Garcia Millan and
6 Associates. The headquarters was in Merida and he, let's say,
7 had a branch in Tabasco and it's my understanding that he had
8 one in Veracruz and -- and -- and I think that's all.

9 Q At some point, did his firm change names?

10 A Yes. When Mr. Carlos Orozco died, it is my understanding
11 that his children retired the franchises. And he no longer
12 belonged to Orozco Filgueres. It changed names. That's all I
13 know.

14 Q Did you go visit your husband at his offices often?

15 A Often, no.

16 Q After the girls were born, how often would you go to his
17 office?

18 A The building where the offices are located is not a two-
19 story building as is shown in the photograph. It's actually a
20 three-story building, a large one, and the entire third floor
21 was my in-laws' home. In fact, that's where he lived his whole
22 life. When we got married, on Mondays, we ate at my in-laws
23 and at times when we arrived and he was still working, we would
24 go find him so he would come up to eat. Sometimes -- how many
25 times, I don't know but that was the only reason why at times

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1 we would go to his office. So when my in-laws moved to the
2 house that they have -- that they had and the entire building
3 was converted to office space, I don't think I've ever been.

4 Q What year was that?

5 A It may have been 2005, 2004 -- 2005, more or less.

6 Q What happened to your in-laws' house?

7 A It was converted to office space.

8 Q No, the one they moved into.

9 A What happened was my in-laws -- when he was arrested, my
10 in-laws moved to live in Mexico City.

11 Q They were afraid to stay in Villahermosa?

12 A Yes. Their phones were intercepted. There were people
13 monitoring the door of their home. Obviously they were scared.

14 Q In the 2004-2005-2006 period, financially how would you
15 describe your husband's wealth?

16 A We were, I think, at our professional levels, both of us,
17 we were at our best moment.

18 Q Did you travel internationally?

19 A Yes.

20 Q Did your daughters go to private schools?

21 A Yes.

22 Q Did your husband drive a fancy car?

23 A Yes.

24 Q Has your husband always been a car fanatic?

25 A Yes.

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1 Q During that period, was that ever a source of some
2 conflict between the two of you?

3 A Yes, a strong one.

4 Q Tell us about that.

5 A Regarding what specifically?

6 Q When you were living in an apartment and your husband
7 wanted to buy a Ferrari.

8 A We lived in an apartment and in the front of the
9 apartment, he had parked a BMW, a Mercedes -- he had just
10 bought himself a Porsche and I told him, how is it possible
11 that we have all these cars parked in front of our apartment
12 and yet we do not have a home?

13 Q Did you end up getting a home?

14 A Yes.

15 Q Please describe your home in Villahermosa for us.

16 A It's a very pretty house, mostly glass walls. The upper
17 portion, the bedrooms are divided and they have glass floors.
18 It's a two-story interior that would include a living room, a
19 dining room, a reception area. There's an indoor garden.
20 There's an office. There is a kitchen with a breakfast nook
21 and there's a pool with a fountain. There's a very high wall
22 about as high as a house that is a fountain. On the second
23 floor, we have four bedrooms including the main bedroom. The
24 main bedroom has a big bath with hydro massage -- a hydro
25 massage tub, a very wide closet and a TV room.

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1 Q What year did you buy your home?

2 A We started building it in 2002 -- approximately 2001,
3 2002, more or less -- and we moved between May -- May 2003,
4 approximately. I'm not really good in general at remembering
5 dates. I just remember it was May 10th.

6 Q This was long before your government ever -- your
7 government -- your husband ever went into public service?

8 A Yes, way long before.

9 Q Did your husband continue buying cars all the way up 'til
10 the time when he went into public service?

11 A Yes.

12 Q Describe for us what it was like being around your
13 husband's cars with the girls.

14 A We couldn't be around cars because if he even found a
15 little finger somewhere, that was a problem.

16 Q When he bought the Ferrari, how many times did he let you
17 or the girls ride in it?

18 A So when he bought it, he obviously invited me to get into
19 the car, but, "Don't touch this. Get on this way. Don't
20 scratch that." And so I said -- never get into the car again.

21 Q Did he have rules about what could be on the walls inside
22 your house with the girls?

23 A Yes. We couldn't hang anything on the walls. We couldn't
24 stick anything to the walls ever.

25 Q Any rules about stickers?

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1 A He could not stand anyone placing stickers of any kind on
2 the cars.

3 Q On any cars or just on his exotic cars?

4 A The (indisc.) car. He would see cars like mine, my truck,
5 that said, "I love my cat." He didn't like that.

6 Q Now, in fairness, when you lived with him, you didn't have
7 any stickers on your car, did you?

8 A No.

9 Q Would you say that he had a very strong, demanding
10 personality?

11 A He has a very demanding personality.

12 Q We've seen in evidence a document that was filled out with
13 you and Sonia Fernandez when you moved your money to the United
14 States. And on it it says, "Estimated net worth, \$30 million."
15 When you heard your husband say that, did that number surprise
16 you?

17 A No.

18 **MS. HAMPTON:** Objection, Your Honor. It calls for
19 facts not in evidence.

20 **THE COURT:** I thought it was on one of the exhibits
21 from --

22 **MR. REYNAL:** It is.

23 **MS. HAMPTON:** He said when she "heard her husband say
24 that." There's nowhere in evidence that that happened, Your
25 Honor.

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1 **THE COURT:** Okay.

2 **MS. HAMPTON:** And we'd ask --

3 **THE COURT:** Sustained.

4 **MS. HAMPTON:** We'd also object to any hearsay he's
5 eliciting.

6 **(Pause)**

7 **MR. REYNAL:** Do you know what exhibit the HSBC
8 (indisc.)?

9 **MS. HAMPTON:** Which one?

10 **MR. REYNAL:** The account opening?

11 **MS. HAMPTON:** For which account?

12 **MR. REYNAL:** Her account.

13 **THE COURT:** Checking, checking, savings, securities.

14 **MR. REYNAL:** The securities account.

15 **MS. HAMPTON:** It's Exhibit 10.

16 **BY MR. REYNAL:**

17 Q I'm going to show you what's in evidence as Exhibit 10.

18 Do you see where it says, "Estimated net worth, \$30 million"?

19 A Yes.

20 Q Did that number appear there magically?

21 A Magically, no.

22 Q Was that a number that was provided to the banker at the
23 meeting?

24 A Yes.

25 Q I think you said that that number didn't surprise you?

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1 A No.

2 Q Why not?

3 A Because by then, that's more or less the amount that we
4 had, yes.

5 Q And what was your understanding of the source of that
6 wealth?

7 A Oh, it was the money that was saved.

8 Q From whose work?

9 A Mine.

10 Q The 30 million?

11 A Yes.

12 Q No. But, the 30 million, was that the estimated net worth
13 of you, yourself, of -- or of you and your husband?

14 A Mine.

15 Q I think I'm -- I'm not asking about the money that's in
16 the account. I'm asking about the estimated net worth
17 statement of the both of you.

18 A Yes, or more.

19 Q Okay. And whose -- who did that come from? What was your
20 understanding of where that money came from?

21 A Where from specifically or where we obtained it?

22 Q Where you obtained your wealth, you and your husband's
23 wealth.

24 A From our work, of course.

25 Q Tell us about the time that -- the conversation you had

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1 with your husband about when he told you he wanted to go into
2 politics.

3 A Oh, that was a strong conflict between the two of us.
4 That summer of the elections we had planned to go to Europe.
5 He commented to me that he was going to work for the campaign.
6 That really bothered me and I was not in agreement. At the
7 end, he did what he already had decided, and I went alone with
8 my daughters to Europe. When he told me --

9 **INTERPRETER PARADA-VALDES:** Excuse me. The
10 interpreter will start again.

11 A When I returned, he told me that he would form a part of
12 the transition team only.

13 **MS. HAMPTON:** Your Honor, may we approach?

14 **THE COURT:** Yes.

15 **(Begin bench conference)**

16 **MS. HAMPTON:** This counsel is repeatedly soliciting
17 hearsay through the witness' testimony. I object in that it's
18 hard for me with the translation to try to (indisc.).

19 **THE COURT:** I know. I want to jump in because of the
20 translation.

21 **MR. REYNAL:** Your Honor, these conversations, they
22 are not admitted for the truth; they're admitted to show the
23 relationship, her state of mind, what she did afterwards, why
24 she did --

25 **THE COURT:** But I think your questions can maybe be

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1 phrased better. There may be some of that that comes in, but
2 there's a lot coming in.

3 **MR. REYNAL:** Okay.

4 **THE COURT:** So, sustained.

5 **MR. REYNAL:** Thank you, Your Honor.

6 (End bench conference)

7 **THE COURT:** Sorry.

8 **BY MR. REYNAL:**

9 Q Why were you opposed to --

10 **INTERPRETER PARADA-VALDES:** (Indisc.).

11 **THE COURT:** Sorry.

12 **INTERPRETER PARADA-VALDES:** One moment. (Indisc.)

13 **MR. REYNAL:** Oh, sorry.

14 **INTERPRETER PARADA-VALDES:** Thank you.

15 (Pause)

16 Q Why were you opposed to your husband going into government
17 service?

18 A By that time he was already working a lot and traveling a
19 lot because of the office. But he was his own boss and he
20 controlled his own time. So if I told him there was an event
21 at school or we were planning a vacation, he could get himself
22 organized. I knew that if he entered government, this was
23 going to change. He would no longer have his time available to
24 him. And I know a public official is that, and there would
25 always be work. And I knew that he'd depend on a boss; that he

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1 never was accustomed to depending on anyone.

2 **MS. HAMPTON:** Your Honor, I'd object to any narrative
3 answer. And there's no question.

4 **THE COURT:** Okay. Let her finish the response, just
5 for the record.

6 Are you finished? The interpreter's finished with
7 the response?

8 **INTERPRETER PARADA-VALDES:** Yes, Your Honor. Thank
9 you.

10 **THE COURT:** Okay. Yes, sorry. Yes, sustained. Try
11 to break that up.

12 **MR. REYNAL:** Okay.

13 **BY MR. REYNAL:**

14 Q I heard that there were a number of reasons why you were
15 opposed to your husband going into public service. Can you
16 tell us one of them? Just one.

17 A We were going to stop seeing him.

18 Q Was there another one or was that the principal one?

19 A That was the main one.

20 Q Did your prediction come true?

21 A Yes.

22 Q How did your life change when he went into public service?

23 A A lot. He was practically out all day, even weekends.

24 Sometimes he would travel to Mexico City on Sunday so he could
25 be there early Monday, or he'd return Friday night or even

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1 Saturday. We practically didn't see him.

2 Q Did you continue to travel internationally?

3 A Yes.

4 Q About how many trips a year would you take?

5 A Three or four.

6 Q With the girls?

7 A Always.

8 Q About how many of those family vacations would he go with
9 you on?

10 A He only accompanied us generally for Christmas.

11 Q Was that difficult for your relationship?

12 A Oh, it was by then practically more of a living
13 arrangement than a relationship.

14 Q At some point did your older daughter start going to
15 school in the United States?

16 A Yes.

17 Q When was that?

18 A In 19 -- in 2012. She came to study for a year to improve
19 her English at a boarding school in St. Johnsbury, Vermont.

20 Q Did you travel more frequently during that year to go
21 visit her?

22 A Yes.

23 Q Did you go on those trips alone?

24 A Generally, yes.

25 Q When your husband bought the first apartment in Miami,

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1 were you surprised?

2 A No.

3 Q Why not?

4 A He had the financial capability to do so.

5 Q Did you guys -- had you rented an apartment in Miami
6 before then?

7 A Yes.

8 Q And we've heard about several apartments during this case.

9 Is there one primarily that -- or, one exclusively that you
10 used in Miami?

11 A Yes.

12 Q Can you tell us the address of it or identify it for us?

13 A I don't know the address exactly, but it was in Sunny
14 Island. The apartment number, 2708.

15 Q Were you excited when your husband bought the apartment?

16 A Yes.

17 Q And when you were in Miami, is that the apartment you
18 always stayed in?

19 A Yes.

20 Q At some point did you become aware that your husband had
21 bought a second apartment in the same building?

22 A I didn't know he had bought. He told me he wanted to buy
23 it, yes.

24 Q And at some point did you go and look at it with him and
25 Mr. Marichal?

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1 A Yes.

2 Q Did you and -- as far as you know, did anybody ever sleep
3 there?

4 A No.

5 Q Did you understand it to be an investment property?

6 **INTERPRETER PARADA-VALDES:** The interpreter needs a
7 repetition.

8 **(Speaks Spanish)**

9 A Yes. I knew it was to sell it.

10 Q At some -- sticking with Miami, did your husband have
11 fancy cars in Miami?

12 A Yes.

13 Q Did you go to the place where they were stored ever with
14 him?

15 A Yes, once.

16 Q Can you describe what it looked like when you went there?

17 A The details I don't remember, but it was a warehouse with
18 white walls, and it had approximately between 14, 15 cars,
19 something like that.

20 Q Did it surprise you that your husband had 14 or 15 cars?

21 A At that time, no.

22 Q Before he'd gone into government, did he also have
23 multiple cars?

24 A Yes.

25 Q We saw some watches shown. Did you ever see those watches

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1 before?

2 A No.

3 Q What would you have said to your husband if you'd seen him
4 wearing one of those diamond-y watches?

5 A I would have told him that that -- that wasn't good.

6 Q Did you ever see all 32 of your husband's cars with all
7 the flags and stuff behind them?

8 A No.

9 Q What would you have said to him if you had seen that?

10 A He knows that I would have told him that that was not a
11 good thing. Perhaps that's why he never showed me.

12 Q At some point did you become aware of some apartments
13 in -- or, an apartment in New York and an apartment in Los
14 Angeles?

15 A Yes.

16 Q What was your understanding as to the ownership of those
17 apartments?

18 MS. HAMPTON: Objection, Your Honor; calls for
19 hearsay.

20 THE COURT: Sustained.

21 BY MR. REYNAL:

22 Q Did you ever stay in the New York apartment?

23 A Yes.

24 Q How many times?

25 A Six, seven times perhaps.

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1 Q How about L.A?

2 A No.

3 Q The house in -- in Houston, when did you first learn about
4 it?

5 A That I realized he had already bought it?

6 Q Well, tell us how you come to go to Houston to look at
7 lots with Mr. Tsokos.

8 A Yes. We went to Houston. We met Mr. Enrique Marichal.
9 We went to look at some sample homes and lots close to my
10 sister's house.

11 Q Did you --

12 **THE COURT:** Is that sister or brother? I'm sorry.

13 **MR. REYNAL:** You're right, Your Honor. I think she
14 said "brother."

15 A Brother.

16 **BY MR. REYNAL:**

17 Q Which brother is this?

18 A Celso Jose Perez-Ceballos

19 **MR. REYNAL:** Thank you, Your Honor.

20 Q Did you pick the final design for the house?

21 A No.

22 Q Who picked it?

23 A My husband.

24 Q Did you pick the furniture for the house?

25 A No.

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1 Q Did anybody ask you your opinion on the furniture for the
2 house?

3 A No. He never did that.

4 Q Why wouldn't he ask you about furniture and decoration for
5 the house?

6 A One, because he had particular taste in certain types of
7 furniture that were not my style. I like things that are
8 comfortable and functional. And if I knew there was furniture
9 that was very expensive or very delicate, I was not going to
10 accept it and I was not going to use it.

11 Q What -- did an event occur in you and your family's life
12 that taught you the importance of saving money?

13 A Yes.

14 Q Can you tell us about that?

15 A I was at university when one of my brothers, Manuel, had
16 cancer. He had Edwin's [sic] osteosarcoma in his arm -- one of
17 his arms, and his lungs. My mom was told in Mexico that if
18 they cut off his arms, he'd have the possibility of living for
19 a few months. But she did some research, and she came to
20 Houston with him to the Anderson Center.

21 They sold their cars. They sold whatever they had to
22 sell at the time. My brother Celso and I started working to
23 cover our personal expenses in Guadalajara, because my brother
24 was here with my -- with my mother living for approximately a
25 year during his treatments, and later, during the follow-up

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1 treatment. And my dad, since that time, has changed his way of
2 seeing things in general. He has always told us -- well, he
3 used to tell us, "Because if you don't need things, you have no
4 reason to spend, because you never know when you're going to
5 need that."

6 Q I'd like to fast-forward a little bit to the summer of
7 2012. Were there elections in Tabasco that year?

8 A Yes.

9 Q Actually, before I go there, I just have a couple more --
10 I'm going to hand you what's been marked for
11 identification as Defense Exhibit 1.1. Do you recognize that
12 photograph?

13 A Yes.

14 Q What year approximately were they taken in?

15 A Between 2010 until 2012.

16 **MR. REYNAL:** Move to admit, Your Honor.

17 **MS. HAMPTON:** No objection, Your Honor.

18 **THE COURT:** They're admitted.

19 **(Defendant's Exhibit Number 1.1 was received in evidence)**

20 **BY MR. REYNAL:**

21 Q And when were these pictures taken?

22 A In Villahermosa.

23 Q What are we seeing in the first picture?

24 A It's a Christmas event at Casa Hogar (phonetic) for
25 orphaned children.

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1 Q Was that one of the places where you worked and
2 volunteered during this time?

3 A Yes.

4 Q What are we looking at here?

5 A It's a reception for a fundraising event where there was a
6 conference by a woman who has no arms and who has devoted
7 herself to personal motivation.

8 Q Who's the little girl standing behind her in the blue
9 dress?

10 A My daughter, Tania.

11 Q What photograph are we looking at here?

12 A That is the first communion of one of the girls at Casa
13 Hogar who was sponsored.

14 Q Were you her godmother?

15 A Yes.

16 Q What are we seeing here?

17 A That's the reception after the religious ceremony for the
18 first communion, so I'm there with the girl and my daughters.

19 Q And what are we seeing in this last picture?

20 A That's the church where first communion took place, and
21 I'm there with my daughters, who accompanied me.

22 Q Who's the -- the girl in the blue dress is Tania?

23 A Yes.

24 Q Who's the girl in the white dress?

25 A Valeria.

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1 Q Going back to Tabasco summer of 2012, were there elections
2 that year?

3 A Yes.

4 Q Can you describe the atmosphere during the electoral
5 period, during the campaign?

6 A It was a very aggressive atmosphere, especially regarding
7 the media, all of the newspapers, there were even ads on the
8 streets, there were billboards referring to corruption and
9 having to do with the previous government. They explained a
10 lot of things daily, all the time.

11 Q As the family of a member of the outgoing government, did
12 you feel targeted by the opposition?

13 A I certainly did.

14 Q Ultimately, what were the results of the election?

15 A The opposition party won, the PRD.

16 Q During the electoral campaign and the transition, where
17 was Pepe?

18 A Sometimes, there in Tabasco and sometimes, in Mexico City.

19 Q Did you see him often?

20 A No, hardly.

21 Q After the election finished, did Pepe begin spending more
22 and more time in Mexico City?

23 A Yes.

24 Q And you were alone in Villa with, at this point, you and
25 Tania?

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1 A Alone. In fact, she had her 15th birthday and he could
2 not attend.

3 Q When's her birthday?

4 A In June. No, she's in May.

5 Q Who's in June?

6 A Valeria.

7 Q Did something else happen in May which caused you to leave
8 Villahermosa?

9 A Yes, kidnapping of his secretary, and the appearance of
10 money in her home that they said was my husband's.

11 Q Were you scared when you heard about the kidnapping?

12 A Yes.

13 Q Were you scared when you heard that they were accusing
14 your husband of being the owner of the money that was in her
15 home?

16 A Yes.

17 Q Did you have a conversation with your husband?

18 A Regarding?

19 Q The kidnapping?

20 A Yes.

21 Q As a result of that conversation, did you leave Tabasco?

22 A I didn't want to leave. He insisted I was in danger. And
23 my main concern was putting my daughters at risk, which is why
24 I accepted leaving.

25 Q Do you recall, did you travel directly to Houston or did

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1 you go through Mexico City on your way to the United States?

2 A I went to Mexico City.

3 Q Did you see your husband?

4 A Yes.

5 Q Tell us about the last time you ever saw your husband.

6 A I went to Mexico City. He explained --

7 **MS. HAMPTON:** Your Honor, I object, calls for
8 hearsay.

9 **THE COURT:** Hold on. If there's any hearsay,
10 sustained.

11 **BY MR. REYNAL:**

12 Q Without telling us what he told you during that meeting,
13 can you describe it for us?

14 **MS. HAMPTON:** I object. The answer is calling for
15 hearsay.

16 **THE COURT:** Not at this point. You want to go ahead
17 and translate.

18 **THE WITNESS:** It was very sad. I was afraid and I
19 was afraid that I was not going to see him again. Especially,
20 he said that his greatest concern was that our daughters and I
21 would be safe.

22 **BY MR. REYNAL:**

23 Q You went and got Valeria from Vermont after that?

24 **(Answer not translated)**

25 Q And did Celso --

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1 **THE INTERPRETER:** Sir.

2 **MR. REYNAL:** I'm sorry.

3 A I traveled to Houston, then to New York, then to
4 Burlington, and I picked up Valeria, who had finished at
5 school.

6 **BY MR. REYNAL:**

7 Q Did Celso go and get Tania, who had been staying with
8 friends?

9 A Valeria didn't travel with me because she had final exams,
10 so she stayed at my godmother's house, who is a very close
11 friend of mine, and Celso picked her up at the end of exams so
12 she would not miss the school year.

13 Q Where did you all go to live at that point?

14 A To my brother's home, Celso.

15 Q Is that in Sugar Land, Texas?

16 A Yes.

17 Q Describe the living situation after you moved in with your
18 brother in May of 2013.

19 **THE INTERPRETER:** May the interpreter stop and
20 clarify

21 **(Interpreter clarifies with witness)**

22 A It was very difficult. They welcomed us, unconditionally;
23 however, theirs was a small home. Even so, my sister-in-law
24 gave us my nephew's bedroom. The three of us managed to
25 accommodate ourselves into two bedrooms. The truth is, they

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1 made us feel very good. Their behavior was -- their behavior
2 is excellent. They've been our support these last few years,
3 and considering, we were fine with them.

4 Q Do you recall where you were when you found out that your
5 husband had been arrested?

6 A Around those days, we weren't going out much, but my
7 brother insisted that we go to a movie at a plaza. And while
8 at the plaza, I received a message that he had just been
9 arrested. That was how I found out. He was trying to come
10 over here. I did not know that he was trying to come over
11 here, but he couldn't cross the border and he was arrested.
12 That's what I found out.

13 Q Has your husband been held in jail in Mexico ever since?

14 A Yes.

15 Q Has he been found not guilty of any kind of crime multiple
16 times?

17 **MS. HAMPTON:** Objection, Your Honor, calls for
18 hearsay.

19 **MR. REYNAL:** We've had it in evidence, Your Honor.

20 **THE COURT:** Overruled.

21 **THE WITNESS:** Yes.

22 **BY MR. REYNAL:**

23 Q What's your understanding as to why he gets kept in jail,
24 despite having been found not guilty?

25 **MS. HAMPTON:** Objection, Your Honor, calls for

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1 speculation.

2 **THE COURT:** Sustained.

3 **BY MR. REYNAL:**

4 Q During the months that followed, did you continue to be
5 afraid?

6 A Yes.

7 Q Okay. Were you afraid about what you and your daughters
8 would live on?

9 A Yes, certainly.

10 Q Were you afraid about whether you would have to go back to
11 Mexico?

12 **MS. HAMPTON:** Your Honor, objection, leading.

13 **THE COURT:** Sustained.

14 Q Tell us the things you were afraid of.

15 A I have always feared that my husband has never been able
16 to be found guilty, and that they'd try to pressure him in some
17 way by causing us harm. They had already done that, and it's
18 possible.

19 **MS. HAMPTON:** Objection, Your Honor, nonresponsive
20 and it's a narrative answer.

21 **THE COURT:** Overruled.

22 Q You can go on.

23 A It's possible that they do it or that they're doing it.

24 **MR. REYNAL:** I'm about to go into another area that's
25 going to take a while, Your Honor. I don't know if you want to

1 take a lunch break.

2 **THE COURT:** I guess we'll just go ahead and recess,
3 if you all want to return at 1:15. Please remember your
4 instructions.

5 **THE CLERK:** All rise for the jury.

6 **(The jury left the courtroom at 11:51 a.m.)**

7 **THE COURT:** All right, so we're in recess, and
8 Anderson's (phonetic) is going to make some copies of at least
9 the charge that we have to this point you-all can start looking
10 at. I'm assuming we won't be arguing today, but, you know,
11 we'll just see where it goes. Because I'm afraid if we get to
12 argument, it will be quite a while and you all need to do it
13 together.

14 I do read the charge before you-all argue. You know,
15 I don't know, it's possible I might be able to get that done
16 because that might be lengthy, and then we'll just come in the
17 morning. We'll just play it by ear, see where we're headed and
18 where we're going.

19 **MR. REYNAL:** Certainly, Your Honor.

20 **THE COURT:** But if you all want a copy, he's doing
21 that right now. If you want to wait for that, that's fine.

22 **MR. MUSCHENHEIM:** Thank you, Your Honor. I do.

23 **THE COURT:** Okay. And just -- we need to be careful
24 with the hearsay. I know some of it does just kind of go,
25 well, she did X because -- but the way it's being brought in is

1 he said, she said, he said X, Y and Z. You need to instruct
2 her about that, sir.

3 **MR. REYNAL:** I will instruct her about that. The
4 other thing I will bring it up to Your Honor now to avoid
5 objections at the time, obviously, she's charged with lying to
6 Paul Arnold. I think I should be able to elicit that
7 conversation and every one of its details.

8 **THE COURT:** Yes, so how are we going to do that? He
9 came to testify to his version and I'm assuming she's going to
10 testify as to what happened that may involve, well, he said X,
11 Y and Z. So is that impeach? I mean, I don't know. You-all
12 want to address that right now? What's the Government's
13 objection?

14 **MR. REYNAL:** If there is one.

15 **MS. HAMPTON:** I don't think there's an objection,
16 Your Honor. That's fine.

17 **THE COURT:** Okay, because I'm assuming she'll get up
18 there and say, you know, he asked me this, I told him this, he
19 said this, okay.

20 **MR. REYNAL:** That's what we're here to figure out.

21 **THE COURT:** I know, but it just, I --

22 **THE CLERK:** All rise.

23 **MR. REYNAL:** Thank you, Your Honor.

24 **(Recess taken from 11:53 a.m. to 1:11 p.m.)**

25 **(MORNING SESSION CONCLUDED AT 11:53 A.M.)**

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



October 13, 2017

signed

Dated

TONI HUDSON, TRANSCRIBER